

D-7819

Huge Extortion Case Re-Opened


Prisoner Admits Guilt
In Court; \$244,000
Said Involved

Kong Kau-tsu, alias Kong Zu, 43, who was arrested last week by Chinese detectives Yang Fung-kwang and Chang Yun-hung of the Crime Branch Headquarters in Nanking in connection with extortion activities in Shanghai together with an ex-detective of the ~~Settlement~~ police, during the last few years, when brought to the First Special District Court this morning admitted that he extorted large amounts from various people but not as much as the \$244,000 the police allege.

According to the evidence introduced by Municipal Advocate Pau Y. Ku, who charged the man with extortion, Kong was connected with no less than 14 known cases of extortion involving hundreds of thousands of dollars. Among his near victim was George "Playboy" Hardeen whom Kong tried to get in his hands and instigate a lawsuit against Mrs. Hardeen. His victims number some 50 wealthy persons in Shanghai, according to the advocate. No witnesses were present in court, however, and the advocate requested the judge to name those whom he would like to question so that they could be asked to come to court during the hearings.

It is alleged that Kong together with the ex-detective Shen Zoching, who was sentenced to five years in jail last March, made intimate contacts with rich people and after digging up scandal-raging from rape to disappropriation extorted money with the aid of gangsters. By this means it is estimated that during four years they extorted more than \$244,000.

Among Kong's victims was Miss Shih Ching-yen, a well-known actress of the Peiping stage. It is also alleged that the two chief criminals opened a law office on Rue Auguste Boppé in the Concession formerly known as the Chu Kwang Law Office. Out of the 14 known cases against him only three extortion cases involving an all \$244,000 were brought against the man today. Hearing was remanded until next week.



June 19, 1937.

Morning Translation.

Sin Wan Pao and other local newspapers (Tientsin telegram):-

SUPPRESSION OF NARCOTICS IN JAPANESE CONCESSION AT
TIENTSIN: MANY PERSONS FOUND TO HAVE RECEIVED BRIBES

In connection with the anti-narcotic campaign being carried on in the Japanese Concession at Tientsin, the Japanese detectives and policemen have seized a number of account books in the home of a notorious drug trafficker named Chen Kwen-yuan (陳坤源), already in custody. These books contain detailed entries as to the payment of bribes to certain persons on certain dates. A great many important Japanese officials will be implicated. The Japanese authorities contemplate not handing over this case to the Chinese authorities, in order to prevent the scandal from spreading. They are forcing, by means of torture, some Chinese police officers, whom they have dismissed and detained, to confess to the corruption.

Shun Pao and other local newspapers :-

APPEAL BY COUPLE SENTENCED FOR CONTRACTING LAW SUITS:
DECISION UNCHANGED

Recently Sung Sao-ching (宋少卿) was arrested and charged before the Shanghai First Special District Court by the Municipal Police with having contracted the management of lawsuits for others and taken over the property of others by unlawful means. In consequence, Sung Sao-ching was sentenced by the Court to 5 years' imprisonment and a fine of \$1,000, with deprivation of civil rights for a period of 10 years, while his wife, Sung Ts Sz (宋素貞), who was charged by the Police with giving false evidence, was sentenced to one year's imprisonment.

Dissatisfied with the judgment, the couple filed an appeal with the Second Branch of the Kiangsu High Court. Consequent upon their hearings, President Yoh Hwa and Judges Bang and Siao yesterday delivered the following decision in the presence of Mr. Kan Ching-sien, Assistant Municipal Advocate of the S.M.C. :-

"Original judgment is maintained. As regards the fine of \$1,000 imposed upon Sung Sao-ching, it may be commuted to labour for a period of six months."

National Herald and other local newspapers :-

SMUGGLED GOODS BOYCOTT MOVEMENT SUPPORTERS TO HAVE
OATH-TAKING CEREMONY

The Smuggled Goods Boycott Movement Committee will set a date for members of various trades to take oath against dealing in smuggled goods. Messrs. Wong Shiao-lai (王少來) and Tu Yueh-sung (杜月笙) will be invited to supervise the ceremony.

On June 27 a large propaganda meeting will be held under the auspices of the Committee.

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April 16, 1937.

Afternoon Translation

SHANGHAI MUNICIPAL POLICE
S. A. RECTOR
No. D 7819
Date 16/4/37

Min Pao and other local newspapers :-

THE KAYAU MURDER CASE

Mau Yung-fu (毛永虎), Wong Tseng-sung (王振勇), Chao Yui-hung (趙雲鴻), King Tao-chuen (金道權), Tsu Kwei-sun (朱貴生) and Zung Ung-ming (曾鳴), who are appealing against the sentences passed on them by the Shanghai District Court for the murder of a Japanese resident named Kayau in Shanghai, were brought before the Kiangsu High Court at 2 p.m. yesterday. The Court announced that enquiries made regarding Chien Tuh Apartments (假使公寓) revealed that this establishment had already closed down. (The accused King Tao-chuen and Zung Ung-ming were arrested in the Chien Tuh Apartments. In their statements they stated that they were asked to go there by a detective named Shih (石); the Court therefore wished to see the register of the Apartments.) A letter had been sent to the Shanghai City Government Police Bureau asking it to instruct the owner of the Apartments to present himself at the Court with the register, but no reply had been received. Likewise, no reply has been received to an enquiry sent to the Yangchow authorities concerning the escape of Shih from the prison there. Hearing of the case was remanded pending replies.

Lih Pao (立報) :-

NEW METHOD OF SMUGGLING COPPER BY CERTAIN NATIONALS

In view of the repeated discovery of copper smuggling by the Customs, the people of a certain nation will change their smuggling methods by turning the copper coins collected into bars before exportation. It is now learned that the people of a certain nation have recently established a chemical works called the Tung Yang (東洋) Chemical Works Factory at the corner of Ningkuo Road and Ward Road for the sole purpose of smelting copper coins.

At 1 p.m. yesterday a large quantity of copper coins was transported into the factory. A crowd of children watched the conveyance with interest at the doorway. This annoyed the people of the certain country who furiously drove off the children with wooden staves. As a result of this, a boy named Chiang Wen-chieh (江文傑), age 12, was hurt in the leg and was sent to the Sacred Heart Hospital for treatment.

Min Pao and other local newspapers :-

THE CASE AGAINST SUNG SAO-CHING

Sung Sao-ching (孫少卿), native of Mantungchow, is an ex-C.D.C. of the S.M.P. In conspiracy with his accomplice named Kiang Chao-chow (江澤周), he formed the Shu Kwang Law Office (曙光法律事務所) whose purpose was solely the contracting of management of lawsuits for others and extortion. He has made a very handsome fortune as a result of this unlawful business during the past several years. Lately, owing to unequal distribution of the unlawfully secured property, a private prosecution was brought up against him by Kiang Chao-chow, who, however, later disappeared

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Afternoon Translation.

when the matter was referred to the Municipal Police for investigation by the Shanghai First Special District Court. Sung Sao-ching, as well as his wife Sung Chu-sz (孫朱氏), were arrested and as a result of proceedings, they were found guilty of the charge. Consequently, Sung Sao-ching was sentenced to five years' imprisonment, in addition to a fine of \$1,000 for offences of successive extortion and was deprived of his civil rights for a period of 10 years, while his wife was sentenced to 1 year's imprisonment for giving false evidence. She was acquitted on the charges of contracting management of lawsuits of another and extortion.

As before stated, this case was initiated through a private prosecution brought against Sung by his accomplice Kiang Chao-chow. However, as the facts outlined in the prosecution indicated a criminal charge, the Court, after its receipt of this prosecution, referred the matter to the Central Police Station for investigation. As a result of enquiries conducted by Asst. Supt. Loh Lien-kwe and other police officers, the following cases which were managed by Sung Sao-ching and his accomplice Kiang Chao-chow, who is now at large, since the winter of 1931 up to March last year, were brought to light:

- (1) Extortion of \$40,000 from Wu Teng-ying (吳騰英). Sung only gave \$12,500 to Wu's sister, Sung Wu-sz (孫吳氏), and the rest he misappropriated. This aroused the dissatisfaction of Sung Wu-sz who afterwards wrote a letter to this effect to the Huchow Guild.
- (2) Extortion of \$70,000 from Chow Hsiang-yung (周湘雲). Sung only gave \$5,000 to Wu Ngho-hu (吳月娥), while the rest was misappropriated by him together with Tang Kia-pang (唐嘉平), the late Manager of the Great World Amusement Resort on Avenue Edward VII.
- (3) Extortion of \$40,000 from Sze Tuh-tse (施德之).
- (4) Extortion of \$67,000 from Loh Kwan-tang (羅冠堂). \$30,000 was given to Loh Chu-shang (羅嘉棠), while the remainder was taken by Sung.
- (5) Extortion of \$20,000 from Hsu Mou-chong (徐慕昌). \$3,000 only was given to Pan Chao-sz (潘超氏), the mother of Pan Sih-yen (潘世堯).
- (6) Extortion of \$47,000 from Chiang Yang-sz (蔣揚氏).

According to the lengthy judgment handed down by Judge Chien Hung-nieh (錢鴻業), Chief of the Criminal Division of the Shanghai First Special District Court, although some of these crimes were committed by the accused prior to the promulgation of the new Criminal Code, they were, however, punishable for extortion following their contraction of management of lawsuits of another according to the old Criminal Code.

The accused were, therefore, sentenced as above mentioned in accordance with Articles 28, 56, 346 (Section 1), 157 (Section 2), 55, 37 (Section 2), 42 (Sections 2 and 3), 2 (First Half of Section 1), and 168 of the Criminal Code and Articles 291 (First Half) and 293 (Section 1) of the Code of Criminal Procedure.

April 6, 1937.

Afternoon Translation

Eastern Times and other local newspapers :-

THE CASE AGAINST SUNG SAO CHING CONCLUDED

Yesterday afternoon the case against Sung Sao-ching (孫少卿) (an ex-C.D.C. of the S.M.P.) and his wife, Sung Tsu Sz (孫朱氏), for extortion and contracting the management of lawsuits of another was again heard at the Shanghai First Special District Court before Judge Chien Hung-nieh (錢鴻業).

Assistant Municipal Advocate Wong Yao-daung (王耀堂) addressed the Court, saying: "During the period of remand, the Police have located witness Faung Nian-shuan (方念遠) who is at present in Court ready to give evidence."

Witness Faung Nian-shuan then made the following statement to the Court :- "Zung Faung Sz (陳方氏) alias Tsu Faung Sz (朱方氏), who is the mother-in-law of the accused Sung Sao-ching, is also my aunt. After the conclusion of the Shanghai Hostilities of 1932, I was unemployed and depended on Sung Sao-ching for a living. Later I worked in the Zu Kwang Law Office (福光法律事務所) jointly formed by Sung Sao-ching and Kiang Chao-chow (江澤周). At first the law office was located at No. 19 Chih Oo Faung (輯王坊), Rue Porte de l'Ouest, but it was later removed to No. 414 Rue Auguste Boppe. The crimes for which charges are brought by the Police were all managed by Kiang Chao-chow and Sung Sao-ching. The method they used to extort money was either to file a lawsuit or to send threatening letters, throw night soil, intimidate through the telephone, etc. Subsequently, one Ling Ya-yoh (林雅月), a female neighbour of mine, was abandoned by Koh Vee-ih (郭唯一), manager of the Watson Mineral Water Factory, after having been seduced by him. Through my introduction, her case was taken up by Sung Sao-ching and Kiang Chao-chow who instituted legal proceedings against Koh Vee-ih in the Second Special District Court. At that time Sung and Kiang guaranteed that the lawsuit would end successfully. Nevertheless, the case was rejected by the Court as invalid, whereupon Koh Vee-ih filed a counter-action for false accusation. Tu Kwang (杜光), husband of Ling Ya-yoh, approached me regarding the matter. Then I realized that Sung Sao-ching and Kiang Chao-chow would be caught sooner or later and that I would be implicated. For this reason, I surrendered myself to the Police."

Questioned by the Court, Sung Sao-ching and his wife still strongly denied the charges.

After debate between the Assistant Municipal Advocate and the defending counsel, Judge Chien Hung-nieh gave his decision sentencing Sung Sao-ching to 5 years' imprisonment and a fine of \$1,000 for the offence of extortion, while Sung Tsu Sz was found guilty of perjury and sentenced to one year imprisonment.

NEW CHARGES AGAINST MASTER EXTORTIONIST

When the police today charged Sung Sung-shing, former S. M. P. detective and alleged master extortionist, with three new charges, he was confronted with three new charges. One of them involving the late Mr. Talbot, prominent Peking Road druggist of Sino-British extraction.

Approximately \$20,000 is involved in all three charges. The one in which the name of Talbot is concerned accounts for \$4,000 of that figure.

In the Talbot case, according to the police, Sung will be charged with extortion by threat. The story of how he allegedly got this much is unique in local criminal history.

It is charged that a few years ago, the late Mr. Talbot, owner of Ysu-hwa medicine shop on Kan-

King Road, put an anti-choleera medicine on the market under his own label. He registered this label with the government.

New Opportunity
Sung, it will be brought out in court, saw the opportunity of a large sale abroad by this product and put a medicine on the market under a similar label.

Mr. Talbot is alleged to have written to Sung protesting against the infringement and threatened action. But later did the druggist dream that he was dealing with the alleged king of the local confidence men.

A few days later and Talbot had a case filed against him in the Nain-tse District Court for infringement on Sung's label.

Mr. Talbot filed a counter-suit in the 2nd Special District Court in the French Concession, the district

in which Sung was making his anti-choleera medicine.

The cases were never completed in court, according to evidence at hand. Instead, Sung is alleged to have threatened Mr. Talbot on several occasions, and that the latter finally settled for \$2,000.

In the charge that will be presented yesterday, the police will contend that Sung and his gang delivered threats to the late Mr. Talbot by letter and telephone and that the latter actually called on the police to remove him with all armed guards.

Assault Assailed

It will be further offered as evidence that on one occasion, Sung's men assaulted Mr. Talbot's residence. As the latter was leaving, they threw a melon, hollowed out and filled with ordure, at

the lawyer. It is said to have hit him and his wife.

Mr. Talbot died some time ago but his business is still being carried on by members of his family.

One of the three new charges to be presented today involves \$20,000. In this case, it is alleged that Sung extorted from a group of men from an area near Mr. Talbot's home. As a go-between between the men and the shop-keeper, Sung later attempted to get some of the money left Mr. Talbot by his husband. It is charged that Sung got most of it.

In the third new charge, it will be alleged that Sung swindled a local pawn-broker out of \$20,000.

As matters now stand, six charges have been prepared against the alleged extortionist.



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March 24, 1937.

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Afternoon Translation.

Hwa Mei Chao Pao (華美申報) and other local newspapers :-

THE CASE AGAINST SUNG SAO CHING

Yesterday afternoon the case against Sung Sao Ching (孫少卿) (an ex-C.D.C. of the S.M.P.) for extortion and contracting the management of lawsuits of another was again heard at the Shanghai First Special District Court before Presiding Judge Chien Hung Nsh (錢鴻業).

Addressing the Court, Assistant Municipal Advocate Paul Y. Ru said: "In connection with the charge of extortion from Wu Teng Ying (吳登瀛), brought against the accused previously, the Municipal Police has now ascertained the number and the amount of the native order paid by the victim Wu Teng Ying as well as the name of the native bank where this order was negotiated. A detailed statement will be prepared for submission to the Court. Both Hsu Mou Chong (孫鴻昌) and Pan Sih Yen (潘雪鵬), the leading figures in connection with the charge of extortion from Hsu Mou Chong by the accused Sung Sao Ching, are present. The original text of the contract in connection with the 'Yao Tse Tsung (姚志忠) Case' has been obtained, on which appears the signature of Sung Sao Ching. The Municipal Police now brings the following additional charges against the accused:-

"(1) Sometime in December of the 22nd Year (1933) of the Chinese Republic, the accused, by means of coercion, extorted a sum of \$40,000 from one Mr. Sze Tuh Tse (施德之). The facts are as follows:- Sometime previous to this, Sze Tuh Tse discharged one of his coolies. In the name of the Chien Sou Hospital (濟善醫院), the discharged coolie, in collaboration with Sung Sao Ching, the accused, Wong Tseng Chuen (王振川), Van Liang Pah (葉良伯), Woo Yung Pu (吳雲甫) and others, filed a prosecution against Sze Tuh Tse in the Shanghai District Court, alleging that the anti-cholera liquid manufactured by him was an imitation of the Sze Tao Shih (施道世) anti-cholera liquid which they invented. In the course of this lawsuit, they even resorted to acts of coercion against Sze Tuh Tse and his lawyer Hsu Shih Hao (徐士浩), as a result of which they were able to obtain \$40,000 from the victim. The Bubbling Well Police Station was notified at that time of their unlawful actions by Mr. 'Ro-Ber-S' (羅勃斯), son-in-law of Sze Tuh Tse.

"The records taken down by the Police Station at that time are now here for examination by the Court.

"(2) In January of the 23rd Year (1934) of the Chinese Republic, the accused, by means of intimidation, extorted a sum of \$67,000 from one Loh Kwan Tseng (陸冠曾). The facts are as follows:- Despite their separation which had been effected a long time before, Loh Chu Shang (陸壽雙), the uncle of Loh Kwan Tseng, appointed Sung Sao Ching to secure payment of \$67,000 from Loh Kwan Tseng by means of prosecution and threats. In addition to the accused, Wong Tseng Chuen and Kiang Chao Chow (江肇周) both took part in this case as mediators. Loh Kwan Tseng and his accountants named Yui Sao Ching (俞少卿) and Pan Hui Tseng (潘煥丞) are now present in Court.

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"(3) The accused sometime ago contracted the management of a case of division of property between Chiang Kuo Pei (蔣國培) and Chiang Yang Sz (蔣楊氏). The case was heard at this Court and had already been concluded, but the accused, by means of coercion, secured \$107,000 from Chiang Yang Sz.

"The Municipal Police made formal charges against the accused this morning in connection with the above mentioned three cases. At the time of his arrest by the Police, several powers of attorney of Mr. Wong Sin Kong (王祥康), a Chartered Accountant, and lawyer Nieh Kong (倪綱) in connection with the 'Ma Hung Kwei (馬鴻運) Case' of the Shanghai Second Special District Court were seized at his home. This case will be incorporated into the former charges at the next hearing, when Sung Chu Sz (孫朱氏), the wife of the accused, will likewise be prosecuted."

Sung Sao Ching, the accused, was then ordered by the Court to write down his name, after which he was asked as to whether or not the signature containing four characters "Sung Sao Ching Ya" (孫少卿印) appearing underneath the word "Witness" in the contract concluded by Yao Tse Tsung was written by him. This he flatly denied.

When questioned as to whether or not the powers of attorney of the Chartered Accountant Wong Sin Kong were seized at his home, the accused answered in the affirmative, but denied having taken part in the management of the lawsuit of this case.

Lawyer Hsu Shih Hao was then summoned and was shown for perusal the records of the statements taken down on March 3 in connection with the "Sze Tuh Tse Case". After having made some slight corrections, lawyer Hsu signed his name on the document.

Detective Inspector "Kuh-Ro-B" (葛勞勃) of the Police then appeared at Court and stated that he had ascertained that the \$40,000 paid by Mr. Sze Tuh Tse were handed over to Sung Sao Ching at a certain garden at Zau Wu Ching (漕五徑).

Hau Mou Chong then appeared at Court and made the following statement:- "At that time Sung Sao Ching frequently called at my office and asked for loans from me on behalf of Pan Sih Yen. For this reason, I asked my friend Tsai Foh Daung (蔡福棠) to mediate, with the result that the matter was settled by a payment of \$19,000."

The following statement was made by Pan Sih Yen:-

"At first I knew nothing about the demand for money from Hau Mou Chong. I was only told by my mother on the day when the document was to be signed that Mr. Hau was willing to pay me a certain sum of money and asked me to go and sign the document in order to get the money. As I was only on quite ordinary terms with Mr. Hau and have had no close relations with him, I refused to go because I considered it not right to receive money that I did not deserve. I agreed to go and sign the document later only after I had been strongly urged by my mother, but I returned home as soon as I had signed the document. I knew nothing of the contents of the document nor of the facts of the matter."

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The next witness who appeared was Pan Chao Sz (潘超氏), the mother of Pan Sih Yen, who made the following statement:-

"It was through the introduction of Koo Hung Sung (顧洪生) alias Pan Hung Sung (潘洪生) that Sung Sao Ching was asked to conduct the negotiations with Hsu Mou Chong. My daughter knew nothing about the affair."

Addressing the Court, Loh Kwan Tseng said: "I was separated a long time ago from my uncle Loh Chu Shang. When my uncle was in Japan acting as Chinese Consul, he had already spent all his property. Owing to shortage of passage money, he was unable to return after he had resigned from the post. It was after I had advanced him a loan that he was able to come back to China. After his return from Japan, he asked me for a loan of \$100,000 for the establishment of a bank to be known as Hwa Chung (華中) or Hwa -- (華) Bank, but I refused because I learned from enquiries that it was not his proposal. Later he prosecuted me at the Shanghai District Court, alleging that I had misappropriated the ancestral property which existed in the 19th Year of the reign of Emperor Kwang Hsi (光緒) of the now defunct Ching Dynasty. Yui Sao Ching was also mentioned as a defendant in this prosecution. At that time I appointed lawyer Tsai Nieh Pei (蔡倪培) to represent me in Court. As I was then residing at Soochow and in this respect I was not subject to the jurisdiction of the Shanghai District Court, Mr. Tsai told me that it was not necessary for me to attend Court. Unexpectedly, however, Yui Sao Ching was ordered to furnish security at the first hearing and to effect my appearance in Court within three days. The matter was later settled, but I did not know how it was settled as it was done by Yui Sao Ching and Pan Hui Tseng. Later it was ascertained from Yui and Pan that the matter was settled after negotiations had been opened with Sung Sao Ching and Kiang Chao Chow. The \$7,000 was paid at the home of Sung Sao Ching. It was at the time of payment that I noticed the presence of Fong Tseng Chuen."

When questioned by the Presiding Judge on the basis of the statements made by the various witnesses above mentioned, Sung Sao Ching, the accused, still flatly denied knowledge of all these affairs.

The case was remanded for further hearing.

Sin Wan Fao (Nanking telegram):

DELEGATES TO CORONATION OF KING GEORGE VI

Interviewed by our reporter on the afternoon of March 23, Dr. H. H. Kung, Vice President of the Executive Yuan and concurrently Minister of Finance, made the following statement:- "I shall leave for England on April 2 by the s.s. Victoria to attend the Coronation of King George VI, whence I shall proceed to France, Germany, Italy and other countries to conduct an investigation into their political and economic reconstruction as well as their industry after the Great War. I shall probably return to China in four months. During the period of my absence, Vice-Minister Tsou Lin will take charge of the Ministry of Finance but under

March 10, 1937.

Morning Translation.

Shun Pao and other local newspapers :-

THE CHARGES AGAINST SUNG SAO CHING

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Recently, Sung Sao Ching (孫少卿) (an ex-C.D.C. of the S.M.P.), native of Tungchow, was arrested by Assistant Superintendent Loh Lien Kwei and D.I. Liu Chao Kwei of the Municipal Police on charges of fraud and contracting the management of lawsuits of another. He was arraigned before the Shanghai First Special District Court on the following day and was charged under Articles 157 and 345 of the Chinese Criminal Code for having contracted the management of a case of division of property affecting Wu Teng Ying (吳騰英) and Sung Wu Kwei Tseng (孫吳桂生).

On the afternoon of March 9, Presiding Judge Chien Hung Nieh (錢鴻業) of the First Special District Court resumed the hearing of the case.

Addressing the Court, Assistant Municipal Advocate Paul Bu said :- "In addition to the charge dealt with at the previous hearing, the Municipal Police now bring the following additional charges against the accused:-

- 1) Yao Yoeh Poo (姚月浦), native of South Tungchow, owner of the Yao Jen Shing Building Contractor Company (姚仁興營造廠), sometime ago entered into a joint contract for a certain building with his brother Yao Jen Myi (姚仁義), owner of the Yao Zung Shing Building Contractor Company (姚宗興營造廠). Later Yao Jen Myi died and his son Yao Tse Tsung (姚志尊) carried on his father's business. In 1931, Yao Yoeh Poo desired to settle accounts with his nephew for the contracting of the building, and asked the nephew to pay him a sum of \$10,000. Yao Tse Tsung refused to pay the money and entrusted the accused Sung Sao Ching with the negotiations. The accused then asked one Doctor Tse Nan San (譚南山) to mediate. As a result, the case was peacefully settled for a sum of \$5,000, of which Yao Yoeh Poo received \$1,500 only.
- 2) In December, 1935, the well known actress Pan Sih Yen (潘雪雁), residing in house No. 2, Dong Foh Li (東福里), Rue Hatard, French Concession, asked the accused Sung Sao Ching to extort a sum of \$20,000 from one Hsu Mou Cheng (許慕成), owner of the Dah Poong Cotton Mill (大豐棉廠), the younger brother of Hsu Mou Daung (許慕棠), comprador of the P & O Banking Corporation. Through the efforts of lawyer Wu Lin Kwen (吳林坤), who was retained by Hsu, the case was settled for \$19,000. The actress Pan received only a very small sum of money.

"Witness Yao Yoeh Poo and lawyers Wu Lin Kwen and Koo Kung Ping (顧公平) are present in Court. Lawyer Chen Ting Sui (陳庭瑞) is unable to appear owing to sickness".

The statement made by witness Yao Yoeh Poo was then presented.

Addressing Wu Sung Fah (吳中復), the son of Wu Teng Ying, the Judge said: "This Court has made enquiries of your lawyer Chen Ting Sui and he states that prior to the settlement of your case, you had received a threatening telephone message and certain persons had followed your motor car".

The witness Wu Sung Fah denied all this.

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The Judge then interrogated Sung Tsu Sz (吳素斯), the wife of the accused Sung Sao Ching. "Sometime ago, a girl named Wu Yoch Ngoo (吳月娥) prosecuted Chow Siang Yui (周祥義). The case was managed by your husband and was peacefully settled for \$70,000. Do you know anything about this?"

The woman replied: "Formerly, Wu Yoch Ngoo lived together with me. At her request, I attended the Court as a witness. I know nothing else."

The Judge said that this Court had discovered that the case he referred to was managed jointly by her husband and one Tang Chia Pang (唐嘉邦) since deceased. Asked by the Judge if that was so, the woman replied that she knew nothing about it.

Assistant Municipal Advocate Ru stated that the woman is suspected of being an accomplice in the case and the Police would make enquiries.

In reply to the Court, lawyer Wu Lin Kwen said: "On a certain day in December, 1935, Hsu Mou Chong came to my house at No. 67, Foh Min Tsung (福明堂), Avenue Foch, sayings 'Sometime ago, I became acquainted with the actress Pan Sih Yen. Perhaps my ohits inviting her to dinner are still in her hands. Pan regards these ohits as evidence of intimate relations between us and is demanding a sum of \$20,000. Mediation through Sung Sao Ching and Tsai Foh Daung (蔡福堂) has proved successful."

A written document stating that there had been no connection between Hsu Mou Chong and Pan Sih Yen must be procured and the return of the invitation notes must be secured. The document was then drafted by me on his behalf. On a certain date Sung Sao Ching, Tsai Foh Daung and Pan Hung Sung (潘興盛) came to my home and strongly insisted that the money be paid in the presence of Pan Sih Yen.

A fight then took place between Sung Sao Ching and Pan Hung Sun. I eventually pacified them. Later, Pan Sih Yen and Sung Sao Ching came and the document was then written and signed, whereupon the matter was settled on payment of a sum of \$20,000.

Sung Sao Ching and Tsai Foh Daung were mentioned in the written document as mediators. As he is in business at Hangchow, Hsu Mou Chong is not in a position to attend Court and is represented by chartered accountant Mr. Loh Yih Fong (羅宜豐)."

In reply to the Judge, Mr. Loh Yih Fong stated that Hsu Mou Chong would be able to attend Court after one week.

Questioned by the Judge, Sung Sao Ching denied all knowledge of the matter and said that he never had anything to do with the case.

Presiding Judge Chien then summoned Yao Yoch Poo who made the following statement: "As my nephew had refused to pay what was due to me, I became very angry and referred the matter to Ying Ziang (楊祥), the proprietor of the Tung Shing Yuan Tea Shop (東興園茶莊) on Broadway, who then recommended Sung Sao Ching to handle the case. It was agreed that my received was to be divided in the proportion of 40% and 60% and an agreement to this effect was drawn up by Kiang Chao Chow (江朝周). Subsequently, the case was settled on payment of a sum of \$5,000. Of this amount Sung Sao Ching gave me only

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Morning Translation.

\$1,500, the balance being misappropriated by him. It is a fact that Sung Wu Sz was introduced by me to Sung Sao Ching; she had been living with Sung for about one year. At first Sung Sao Ching demanded \$200,000, then reduced the amount to \$120,000, then \$70,000 and finally \$40,000. With the payment of the money the case was settled. Sung Sao Ching paid Sung Wu Sz \$12,500 only and gave me \$500 as locomotion allowance. I heard Sung Sao Ching say that he once followed the motor-car of Wu Teng Ying on Szechuen Road."

Lawyer Koo Kung Ping then gave the following evidences:- "The case of Sung Wu Sz was entrusted to me by Sung Sao Ching four or five days before its settlement. When the money was paid at the home of lawyer Chen Ting Sui, Sung Sao Ching was also present. Lawyer Chen Ting Sui, as the representative of the other party, then handed the native order to me and I, in turn, handed it to Sung Wu Sz. I have no knowledge whatever of what happened afterwards."

The Presiding Judge questioned Sung Sao Ching about these matters but he denied any knowledge about them.

The Court remanded the case for one week.

Lih Pao and other local newspapers :-

CHINESE YOUTH MISTAKEN FOR WOULD-BE ASSASSIN

Certain construction work is being undertaken by the Japanese Landing Party on the old site of the Tsukinoya Garden at the corner of Dixwell Road and Chi Mei Road, Chapei. The work on the office for Japanese military officers has been finished.

At 9 a.m. yesterday Japanese officers made an inspection of the office. A Chinese youth named Lo (呂) who entered the place to have a look was mistaken for a would-be assassin. He was immediately held in custody by the Japanese and interrogated. At 6 p.m. he was handed over to the Chinese Police as a result of negotiations opened by Colonel Liang Fu Tso, Officer-in-Charge of the North Station Branch Police Bureau. The Police later handed the youth to his relations.

19704

Legal-Racket Expose Due As Ex-Detective Faces Extortion Count

Judge Dzien Determined To Smash Shyster Ring
Preying On Civil Suit Participants; Silk
Taipan Said Victimized By Blackmail

Litigations Declared Engineered

THE first gun in what promises to develop into a sensational expose of a shyster-lawyer, legal-racket, blackmail ring, that has existed in Shanghai for a number of years, was fired in the First District Court this morning when Sung Sau-ching, 47, former detective of the Shanghai Municipal Police, was charged with extorting \$40,000 from Mr. Wu Tung-ying, wealthy proprietor of a silk filature on Miller Road.

With Chief Judge Dzien expressing himself as determined to smash the shyster group whose existence is said to be known to almost every lawyer in Shanghai, further charges of muscling in on civil suits in Shanghai involving hundreds of thousands of dollars are expected to be laid against Sung within the next few weeks.

SETTLED TO OWN PROFIT

Evidence is piling up that Sung and a group of lawyers, in addition to a melange of loafers and racketeers, have

insinuated themselves into legitimate law suits as well as trumped up cases, including a well-known rape case involving a wealthy Chinese merchant several years ago and numerous other cases that Sung and his group are alleged to have settled out of court to their own profit.

Recently, an alleged former associate of Sung sent a letter to the First District Court requesting that Sung be released from him by legal means. Sung, acquainted with the name, advised against his former associate, Judge Dzien, another to get to the bottom of what has been a long-standing feud between the two. Sung was brought before the court and released in pending on suspicion of committing a breach Article 157 of the Chinese Criminal Code which states that:

"Whoever, with intent to make profit, makes or contracts for the maintenance of any interest, of another, shall be punished with imprisonment for not more than one year, or detention or a fine of not more than five hundred Yuan."

Defenses Charged

This defense, however, a charge of extortion was presented against Sung. During presentation of evidence given by Judge Dzien, it was alleged that a group of Mr. Wu Tung-ying was supposed to have been in the act of settling out of court and get away from the racket.

It was alleged that Judge Dzien was in the act of settling out of court and get away from the racket.

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Mediation Offered

With the sister threatening to bring the suit to court, Sung and lawyers offered to mediate the case. At first they demanded \$500,000, but later reduced this demand to \$250,000. The son of Mr. Wu told his father not to pay this amount as it was exorbitant. Finally a sum of \$40,000 was paid, but of this amount the sister obtained only \$12,000.

She did not know how much had been obtained by the lawyers and Sung, but thinking that her brother had settled for more she wrote a letter to her brother's native guild and asked them to look into the matter. The sister finally learned that her brother had given her \$40,000, when he learned that she had not received this amount he refused to do anything about it.

Taking His Time

The matter might have rested there, but Judge Dzien became interested in Sung's activities. This morning the judge cleared the courtroom of spectators and told Sung to speak out.

"You have nothing to fear. You've told police about your activities and you have no reason to deny them here."

Hearings against Sung were resumed next week and Judge Dzien indicated that he wished to take ample time with charges, bringing them up one by one and exploring all their possibilities.

It is known that Sung was connected with a lawyer's office on Rue August Boppe and that another office had been set up West Gate Road.

In simple terms, Sung is believed to have extorted money from rich people by bringing up litigations.

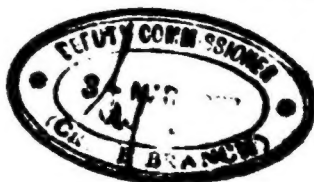
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Sin Wen Pao and other local newspapers :-

SUNG SAO CHING CHARGED WITH F' AUD

Recently, Sung Sao Ching (宋少卿) (an ex-C.D.C. of the S.M.P.), native of Tungchow, residing at No. 28 Hua Nyi Li (華義里), Chang's Garden (張家園), Medhurst Road, was arrested by Assistant Superintendent Loh Lien Kwei and D.I. Liu Chao Kwei of the Municipal Police on charges of contracting the management of a lawsuit and fraud. He was arraigned before the Shanghai First Special District Court on the following morning.

At 10 a.m. March 2, Presiding Judge Chien Hung Nieh (陳興業) of the First Special District Court resumed the hearing of the case.

Assistant Municipal Advocate Paul Ru made the following statement :- "The Police have made detailed investigations into the case during the period of remand. Owing to the short period of the remand, it is impossible to find out all the cases of lawsuit that have been managed by Sung. Only the case of division of property affecting Wu Teng Ying (吳騰英), the owner of the Zai Lun Silk Filature (載倫絲綢), and his sister, Sung Wu Sz (宋吳氏) and his sister, Sung Wu Sz (宋吳氏) and his sister, Sung Wu Sz (宋吳氏). Their father left no property. Later, Wu Teng Ying became very rich through business. Sung Wu Sz became acquainted with Sung Sao Ching through one Yao Yoch Poo (姚月波). On behalf of Sung Wu Sz, Sung Sao Ching filed a civil claim for a division of property; he also filed a criminal prosecution against Wu Teng Ying for misappropriation and demanded a sum of \$200,000. Wu Teng Ying promised to pay \$120,000. Wu Sung Pah (吳中伯), the son of Wu Teng Ying, opposed the arrangement. He consulted Lawyer Chen Ting Sui (陳庭瑞) who succeeded in effecting an agreement with Koo Kung Ping (顧公平), the lawyer representing Sung Wu Sz, whereby Wu Teng Ying was to pay Sung Wu Sz a sum of \$40,000. Actually, Sung Wu Sz received \$12,500 only. Some years later, Sung Wu Sz reported the lawsuit to the Huchow Guild for she is a native of Huchow. The committee of the Huchow Guild wrote a letter to Wu Teng Ying enquiring about the actual amount paid and a reply was sent by Wu to the Guild. This piece of evidence has been secured by the Police. Sung Sao Ching is now charged with extortion under Article 346 of the Criminal Code and with contracting for the management of a lawsuit of another person under Article 157."

When questioned by the Court, Wu Sung Pah made the following statement :- "At first, my aunt Sung Wu Sz engaged Lawyer Chen Chum (陳楚) to write a letter to my father. I asked Lawyer Chen Ting Sui to handle the case. The affair was settled out of Court. The \$40,000 was handed by me to Lawyer Chen Chum who, in turn, handed it to Lawyer Koo Kung Ping, who was representing my aunt. I never saw the person named Sung Sao Ching."

With a view to securing all the facts in the case the Court ordered the public to retire.

When the public had withdrawn, the Court resumed its interrogation of Wu Sung Pah who stood by his

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original statement.

When questioned by the Presiding Judge, the accused Sung Sao Ching denied all knowledge of the affair. He said that he did not know Sung Wu Sz or Wu Sung Iah, and that he had never been engaged in the affairs alleged by the Police. He added that many persons in Shanghai had similar names as his and that he was not the only "Sung Sao Ching" in existence. He further stated that he was a law-abiding person and had never committed any offence during the past 30 years.

When questioned by the Court whether or not he was an opium smoker, he stated that formerly he smoked opium but that he had already got rid of the habit.

When further asked by the Court whether he had taken any part in the "Hsu's (H. S.) Case Support Committee," he denied any knowledge of the Committee.

The case was remanded for further hearing on the afternoon of March 9.